

Message Text

LIMITED OFFICIAL USE

PAGE 01 NEW DE 04887 111727Z

67

ACTION TRSE-00

INFO OCT-01 NEA-10 ISO-00 CIEP-02 FRB-02 EB-11 CIAE-00

INR-10 NSAE-00 RSC-01 DRC-01 /038 W

----- 047110

R 111728Z APR 74

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 0822

INFO AMCONSUL BOMBAY

LIMITED OFFICIAL USE NEW DELHI 4887

E.O. 11652: N/A

TAGS: EFIN, IN

SUBJECT: REGULATION FOR FOREIGN BANKS

REN: STATE A-1911

1. WE ARE STILL WORKING UP ANSWERS TO REFAIR AND WILL REPLY MORE FULLY LATER. SOME CONFUSION EXISTS AROUND SEVERAL CONDITIONS OF OPERATION OF FOREIGN BANKS WHICH WE ARE ATTEMPTING TO CLARIFY. BASICALLY, HOWEVER, MAJOR DISCRIMINATORY RESTRICTION OVER FOREIGN BANKS IS LIMITATION OF BRANCHES TO BOMBAY, CALCUTTA, MADRAS AND SOMETIMES NEW DELHI (BANK OF AMERICA HAS JUST BEEN TURNED DOWN ON REQUEST FOR BRANCH IN NEW DELHI). FOREIGN BANKS ALSO SUBJECT TO FLAT RATE INCOME TAX OF 70 PERCENT PLUS 3.5 PERCENT EQUAL 73.5 PERCENT) WHILE DOMESTIC BANKS SUBJECT TO PROGRESSIVE TAX WITH TOP MARGINAL RATE OF 65 PERCENT PLUS SAME 5 PERCENT SURCHARGE. LATTER POINT LARGELY ACADEMIC SINCE NATIONALIZED INDIAN BANKS USUALLY DON'T HAVE ANY EARNINGS. SCHNEIDER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANKS, BANK LAW, BANK DATA, TAXES
Control Number: n/a
Copy: SINGLE
Draft Date: 11 APR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740084-0634
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740448/aaaabrpX.tel
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Office: ACTION TRSE
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
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Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 15 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15-Aug-2002 by WorrelSW>; RELEASED <15-Aug-2002 by WorrelSW>; APPROVED <11-Sep-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
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